INPUTS FOR HARDSHIP CALCULATIONS

(1) Municipality's 2000 Median Household Income =	**$**	From 2000 Census
(2) Increase In County's Per Capita Income =	**%**	See MEDIAN HOUSEHOLD INCOME document
(3) Line (1) times [1 + Line (2)] = *Example below	**$**	**(MHI)** Adjusted MHI
(4) Number Of Residential Users (Households) =		**(N)** Individual housing units
(5) Total Project Costs =	**$**	Engineer's most recent estimate
(6) Ineligible Project Costs =	**$**	e.g. laterals or hook-up fees
(7) Grants From Other Sources =	**$**	e.g. Rural Development or CDBG
(8) Line (5) minus Line (6) minus Line (7) =	**$**	Costs Eligible for CWFP Funding
(9) Parallel Cost Percentage or PCP =	**%**	
(10) Line (8) times [1 - Line (9)] = **Example below	**$**	Industry/Growth Market Costs
(11) Other Market Costs =	**$**	
(12) Line (10) plus Line (11) =	**$**	Total Market Rate Costs
(13) Line (12) @ 5.000% for 20 years = ***See below for steps to follow on calculator	**$**	**(M)** Annual Market Rate Payment
(14) Line (8) minus Line (12) =	**$**	**(P)** Eligible for Below Market Interest Rate
(15) Line (14) @ 2.750% or 3.500% for 20 years = ****See below for steps to follow on calculator	**$**	**(AT)** Annual Below-Market Rate Payment
(16) Estimated Annual Operation, Maintenance & Replacement Costs =	**$**	**(O)**
(17) Residential Flow in Plans & Specs =		
(18) Total Flow in Plans & Specs =		
(19) Line (17) divided by Line (18) =	**%**	**(R)** Residential Percentage
(20) Outstanding P+I On Old Wastewater Debt =	**$**	Not interim financing for this project
(21) Debt > 10 Years For Ineligibles =	**$**	
(22) Line (20) plus Line (21) =	**$**	Total Prior Wastewater Debt
(23) Line 22 divided by 20 years =	**$**	**(W)** Annual Prior Debt

*For example, if the MHI is $20,000 and the increase is 35.5%, the equation is 20,000 X 1.355 = $27,100.

**For example, if the eligible costs are $100,000 and the PCP is 99%, the equation is 100,000 X (1-0.99) = $1,000.

***To determine (M), Annual Market Rate Payment, follow these steps on a financial calculator (HP12C or similar): Put in amount from Line 12, press PV, type 5.0, press i, type 20, press n, then press PMT, then CHS.

****To determine (AT), Annual Below-Market Rate Payment, follow these steps on a financial calculator: Put in amount from Line 14, press PV, type 2.750 or 3.500, press i, type 20, press n, then press PMT, then CHS.

Equation for Determining Eligibility

$S = \frac{(AT + M + O + W) * R}{(MHI)*(N)}$, where

S is the residential wastewater treatment charges as a percent of MHI
AT is the annual CWFP below-market interest rate payment (Line 15 of Inputs)
M is the annual CWFP market rate payment (Line 13)
O is the annual operation, maintenance, and replacement costs (Line 16)
W is the annual prior debt and debt for > 10 years for ineligibles (Line 23)
R is the residential percentage (Line 19)
MHI is the adjusted median household income (Line 3)
N is the number of residential users (Line 4)

Step 1. Line 15 _____ + Line 13 _____ + Line 16 _____

+ Line 23 _____ = _____ Answer to Step 1

Step 2. Answer to Step 1 _____ X Line 19 _____ =

_____ Answer to Step 2

Step 3. Line 3 _____ X Line 4 _____ = _____ Answer to Step 3

Step 4. Answer to Step 2 _____ / Answer to Step 3 _____ =

_____ S

If S is greater than 2% (.02), your municipality meets the second criterion for hardship assistance eligibility. (See HARDSHIP FINANCIAL ASSISTANCE ELIGIBILITY.) You can now move on to the calculation of type and amount of assistance.

If S is 2% (.02) or less, your municipality does not meet the second criterion for hardship assistance eligibility. You may request a CWFP loan at the regular below-market rate interest for your type of project.

Equation for Determining Type of Assistance and Amount

(MHI)(N)(.02) = A
A / R = B
B - O - W - M = C
P / 20 = D
D - C = H

(MHI, Line 3 of Inputs) times (# of Res. Users, Line 4) times (2% or .02) =
Amount Residential Users Can Afford = **$**_____ **(A)**

(Amount Residential Users Can Afford) divided by (Residential %, Line 19) =
Amount Entire Municipality Can Afford = **$**_____ **(B)**

(Amount Municipality Can Afford) minus (O,M&R, Line 16) minus (Prior Debt, Line 23) minus (Annual Market Rate Cost, Line 13) =
Amt. Muni Can Afford to Pay Annually for CWFP Debt Service = **$**_____ **(C)**

(Project Costs Eligible for Below Market Interest Rate, Line 14) divided by (20) =
Annual Debt Service at 0% = **$**_____ **(D)**

(Annual Debt Service at 0%) minus (Amount Municipality Can Afford for CWFP Debt Service) = **Annual Grant Amount** = **$** _____ **(H)**

IF **(H)** IS POSITIVE, THE FOLLOWING EQUATION APPLIES:

(Annual Grant Amount) times (20) = H X 20 =
Total Grant Needed to Get to 2% of MHI = **$**_____

70% of Costs Eligible for Below Market Rate Interest =
Line 14 X .7 = **Maximum Grant =** **$**_____

Total Grant Needed to Get to 2% or Maximum Grant, whichever is less = **Total Grant =** **$**_____

Line 12 of Inputs section **=**
Total Market Rate Amount = **$**_____

(Total Costs Eligible for CWFP Funding, Line 8) minus (Total Market Amount, Line 12) minus (Total Grant above) = **Total 0% Loan =** **$**_____

Total Grant + Total Market Rate Amount + Total 0% Loan = **Total Amount of Assistance Municipality is Eligible for** (should **=** Line 8 of inputs section) = **$**_____

IF **(H)** IS NEGATIVE, PERFORM INTEREST RATE CALCULATION ON FINANCIAL CALCULATOR:

a. Put in amount in **(C)** above
b. Press ENTER
c. Press CHS
d. Press PMT
e. Put in amount in Line 14 of inputs section **(P)**
f. Press PV
g. Put in the number 20
h. Press n
i. Press i (Answer is your interest rate on below-market rate costs)

-C = Payment
P = Principal
20 = Term